RESEARCH HIGHLIGHTS

September 2003 Socio-economic Series 03-017

2001 CENSUS HOUSING SERIES
ISSUE 1: HOUSING AFFORDABILITY IMPROVES

Introduction

To inform and assist the decision-making of housing stakeholders in the private, public and non-profit sectors, CMHC conducts a research program to develop, analyse and make available information required to track housing conditions. As an integral part of its research program, CMHC works with Statistics Canada to support housing content on the census. In this first issue of its 2001 Census Housing Series, CMHC begins the dissemination of findings derived from the 2001 Census housing data it helped to fund.

On May 13, 2003, Statistics Canada made its final release from the 2001 Census of Population. That release included extensive tables of household and housing data focused on housing costs and incomes. This highlight provides CMHC's assessment of these housing data and builds a platform upon which subsequent highlights will employ CMHC's indicators to construct a comprehensive profile of household and housing conditions in Canada.

Background

The census collects data on both shelter costs and incomes for all non-farm, off-reserve private households in Canada.[1] For most of these households a comparison of shelter costs to incomes results in interpretable ratios of the proportion of income being spent on shelter.[2] These shelter cost-to-income ratios can be monitored against a benchmark over time to track housing affordability. This highlight examines 1991, 1996 and 2001 Census shelter cost-to-income ratio data to track for changes in the proportion of Canadian households with ratios at or above today's accepted 30% affordability benchmark.

[1] Shelter costs cannot be collected for farm households as carrying costs for farm residences are not always separable from expenses related to other farm structures. Shelter costs cannot be collected for reserve households whose housing costs are paid through band housing arrangements.

Shelter costs include the following:

- for renters, rent and any payments for electricity, fuel, water and other municipal services; and
- for owners, mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

Income includes the income reported by all persons aged 15 years of age and over living in the household.

[2] With its 2001 Census release, Statistics Canada explicitly warns users analysing census shelter cost-to-income ratios that, for some households, ratios may be high because of the difference in reference period for shelter costs (pertaining to the time of the census) and household income (collected for the previous calendar year). Statistics Canada therefore partitions its 2001 Census shelter cost-to-income ratio data to create a sub-category of households spending from 30% up to, but not including, 100%. See Statistics Canada, Topic-based Tabulations, 2001 Census Cat. No. 95F0444XCB01004.

Beginning with its custom 1996 and 1991 Census-based data, and continuing with its forthcoming 2001 Census-based data, CMHC has classified all census household shelter cost-to-income ratios of 100% or more as uninterpretable and excluded them from its affordability analyses, just as households reporting zero or negative incomes are excluded.

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As some high income households may choose to spend considerably more on shelter than on other goods,[3] spending above the affordability benchmark does not necessarily mean a household is experiencing housing affordability problems. Thus, while in this highlight CMHC tracks housing affordability by the 30% benchmark, in future issues in this series CMHC will measure housing need by its core housing need indicator.[4]

Findings

The 2001 Census identified 11.6 million households in Canada, 10.8 million of which were non-farm, off-reserve private households reporting positive incomes and interpretable shelter cost-to-income ratios. Proportionately fewer of these 10.8 million households were spending 30% or more of their before-tax incomes on shelter in 2001 than in 1996, reversing trends from the first half of the 1990s (see Table 1). In 2001, 20.8% of the 10.8 million households examined were spending more than the affordability benchmark, compared to 22.2% in 1996 and 20.0% in 1991.

In Canada as a whole, affordability improved for both owner and renter households, with the proportion spending 30% or more of before-tax income on shelter declining from 1996 to 2001, but not falling to 1991 levels. The proportion of owner households spending 30% or more of before tax income on shelter rose from 13.8% in 1991 to 14.2% in 1996, then fell to 13.9% in 2001. For renter households, the proportion increased from 30.8% in 1991 to 36.9% in 1996, then dropped back to 34.6% in 2001.

Conditions were not uniform across the country.

Not all Canadian households experienced affordability improvements. Although the percentage of owner households spending more than the affordability benchmark dropped slightly for Canada as a whole, the proportion actually rose between 1996 and 2001 in all provinces except Québec and Ontario. In contrast, the percentage of renters spending more than the affordability benchmark dropped more significantly, and renters benefited in all but Newfoundland and Labrador, Saskatchewan and the Northwest Territories.[5]

The proportion of households spending more than the affordability benchmark increased significantly from 1996 to 2001 in the Northwest Territories, Saskatchewan, and Newfoundland and Labrador, although proportions still remained well below the national average in each of these jurisdictions.

Households experiencing the greatest improvements in affordability from 1996 to 2001 lived in the Yukon, Québec, and Ontario. In the remaining provinces, the proportion of households spending more than the affordability benchmark was largely unchanged.

While conditions were varied across the country, there were consistent trends within certain provinces. For example, between 1996 and 2001 the proportion of households spending more than the affordability benchmark decreased in all Québec Census Metropolitan Areas (CMAs), regardless of tenure. The opposite was true for Saskatchewan, where the proportion spending above the benchmark increased for both owners and renters in Regina and Saskatoon. Even with these increases, in 2001 these two cities still remained among the most affordable for ownership housing with the proportion of owners spending above the affordability benchmark being lower in Regina than in any other CMA.

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[3] Op. cit.

[4] Households occupying housing that falls below standards for adequacy, suitability or affordability and which cannot afford to pay the median rent of alternative local market housing that meets all three standards are said to experience core housing need.

- **Adequate** dwellings are those reported by their residents as not requiring any major repairs.
- **Suitable** dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.
- **Affordable** dwellings cost less than 30% of before-tax household income.

Taking the 1996 Census as an example, 32.2% of the then 10.0 million non-farm, off-reserve Canadian households lived below one or more of the three housing standards. Since, however, almost half of these (44.4%), had sufficient incomes to rent adequate, suitable and affordable local market accommodation, it was 17.9% or 1.8 million households that CMHC classified as in core housing need.

[5] In 1999, Nunavut was established as a territory distinct from the Northwest Territories. As such, only 2001 data are available for Nunavut, but for comparative purposes, data for the Northwest Territories are provided both inclusive and exclusive of Nunavut.

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Table 1: Atlantic Households Spending 30 Percent or More of Income on Shelter, 1991-2001

		Total households*			Households spending 30% or more of income on shelter			% of Households spending 30% or more of income on shelter		
		1991	1996	2001	1991	1996	2001	1991	1996	2001
Canada	Total	9,371,730	10,027,840	10,803,340	1,877,240	2,223,480	2,244,085	20.0%	22.2%	20.8%
	Own	5,925,460	6,494,030	7,228,725	815,935	920,865	1,005,975	13.8%	14.2%	13.9%
	Rent	3,446,270	3,533,810	3,574,620	1,061,310	1,302,615	1,238,110	30.8%	36.9%	34.6%
Newfoundland and Labrador	Total	169,755	177,815	181,655	21,885	27,405	30,040	12.9%	15.4%	16.5%
	Own	134,765	139,485	143,875	11,345	13,390	15,190	8.4%	9.6%	10.6%
	Rent	34,990	38,325	37,780	10,535	14,020	14,850	30.1%	36.6%	39.3%
CMA - St. John's	Total	53,530	57,575	62,125	9,865	11,640	12,465	18.4%	20.2%	20.1%
	Own	36,375	39,790	44,030	4,425	4,930	5,245	12.2%	12.4%	11.9%
	Rent	17,150	17,785	18,090	5,440	6,705	7,220	31.7%	37.7%	39.9%
Prince Edward Island	Total	41,700	45,130	48,050	6,545	8,015	8,470	15.7%	17.8%	17.6%
	Own	30,675	32,680	35,345	2,870	3,315	3,720	9.4%	10.1%	10.5%
	Rent	11,025	12,450	12,700	3,675	4,700	4,750	33.3%	37.8%	37.4%
Nova Scotia	Total	309,645	323,050	339,600	53,825	62,120	65,665	17.4%	19.2%	19.3%
	Own	221,900	233,080	245,745	25,155	25,425	27,970	11.3%	10.9%	11.4%
	Rent	87,745	89,965	93,855	28,675	36,695	37,700	32.7%	40.8%	40.2%
CMA - Halifax	Total	113,970	121,060	137,445	23,325	26,850	28,965	20.5%	22.2%	21.1%
	Own	67,420	74,850	87,195	8,625	8,770	9,705	12.8%	11.7%	11.1%
	Rent	46,550	46,210	50,250	14,705	18,075	19,260	31.6%	39.1%	38.3%
New Brunswick	Total	243,270	255,700	268,795	37,515	41,465	43,885	15.4%	16.2%	16.3%
	Own	181,930	191,930	203,215	17,205	18,810	21,280	9.5%	9.8%	10.5%
	Rent	61,340	63,765	65,580	20,305	22,655	22,605	33.1%	35.5%	34.5%
CMA - Saint John	Total	43,805	44,800	46,340	7,760	8,060	8,260	17.7%	18.0%	17.8%
	Own	28,070	30,020	31,655	2,680	2,920	3,290	9.5%	9.7%	10.4%
	Rent	15,730	14,780	14,685	5,080	5,140	4,970	32.3%	34.8%	33.8%

*The 10.8 million total households excludes households on farms or reserves, those with an income of zero or less, and those whose shelter costs equal or exceed their incomes. The 2001 Census identified 11,562,975 total households, 11,279,330 non-farm, off-reserve households with incomes greater than zero, and 10,803,340 households with incomes greater than both zero and their shelter costs.

Adapted from: Statistics Canada, Topic-based Tabulations, 2001 Census, Cat. No. 95F0444XCB01004, May 13, 2003; and for 1996 and 1991 data, Housing in Canada Electronic Data Series, CMHC, 2000.

In the remaining CMAs, the proportion of total households spending more than the affordability benchmark on shelter generally either fell or was relatively stable between 1996 and 2001, with the exception of Thunder Bay. Indeed, Regina, Saskatoon, Thunder Bay, Kingston, and St. John's were the only CMAs in the country where the proportion of renter households spending above the benchmark increased.

For owner households, the proportion spending 30% or more of income on shelter rose in eleven CMAs, but in most cases the increase was relatively marginal. The increase in the proportion of owner households spending more than the accepted norm exceeded one percentage point in only four CMAs: Saskatoon, Abbotsford, St. Catherine's-Niagara, and Vancouver.

Table 1 Cont'd: Québec Households Spending 30 Percent or More of Income on Shelter, 1991-2001

		Total households[1]			Households spending 30% or more of income on shelter			% of Households spending 30% or more of income on shelter		
		1991	**1996**	**2001**	**1991**	**1996**	**2001**	**1991**	**1996**	**2001**
Canada	Total	9,371,730	10,027,840	10,803,340	1,877,240	2,223,480	2,244,085	20.0%	22.2%	20.8%
	Own	5,925,460	6,494,030	7,228,725	815,935	920,865	1,005,975	13.8%	14.2%	13.9%
	Rent	3,446,270	3,533,810	3,574,620	1,061,310	1,302,615	1,238,110	30.8%	36.9%	34.6%
Quebec	Total	2,479,915	2,621,630	2,812,275	524,170	598,730	552,785	21.1%	22.8%	19.7%
	Own	1,399,070	1,519,340	1,657,850	190,065	204,585	194,870	13.6%	13.5%	11.8%
	Rent	1,080,845	1,102,285	1,154,430	334,105	394,145	357,920	30.9%	35.8%	31.0%
CMA - Chicoutimi-Jonquiere	Total	53,840	55,635	58,885	9,290	10,895	10,355	17.3%	19.6%	17.6%
	Own	33,515	34,875	37,560	3,655	3,925	3,535	10.9%	11.3%	9.4%
	Rent	20,325	20,760	21,330	5,635	6,960	6,815	27.7%	33.5%	32.0%
CMA - Ville de Quebec	Total	242,945	260,655	282,145	49,455	57,860	53,915	20.4%	22.2%	19.1%
	Own	132,420	146,775	159,385	15,695	17,420	16,070	11.9%	11.9%	10.1%
	Rent	110,525	113,885	122,755	33,760	40,440	37,840	30.5%	35.5%	30.8%
CMA - Sherbrooke	Total	52,605	56,990	62,745	12,785	13,995	13,340	24.3%	24.6%	21.3%
	Own	26,585	29,430	33,300	3,645	3,540	3,620	13.7%	12.0%	10.9%
	Rent	26,020	27,565	29,445	9,140	10,455	9,715	35.1%	37.9%	33.0%
CMA - Trois-Rivieres	Total	51,395	53,840	56,360	10,950	12,190	11,290	21.3%	22.6%	20.0%
	Own	28,540	30,825	32,930	3,335	3,515	3,290	11.7%	11.4%	10.0%
	Rent	22,850	23,015	23,430	7,615	8,680	8,000	33.3%	37.7%	34.1%
CMA - Montreal	Total	1,169,235	1,251,065	1,344,460	290,700	335,050	301,390	24.9%	26.8%	22.4%
	Own	560,555	628,895	692,455	95,755	102,575	95,455	17.1%	16.3%	13.8%
	Rent	608,675	622,170	652,000	194,940	232,475	205,930	32.0%	37.4%	31.6%
CMA - Ottawa-Hull	Total	80,305	89,060	99,410	15,150	18,825	17,515	18.9%	21.1%	17.6%
(Que. Part)	Own	49,030	56,420	62,860	6,195	7,415	6,750	12.6%	13.1%	10.7%
	Rent	31,275	32,635	36,545	8,955	11,415	10,765	28.6%	35.0%	29.5%

[1] The 10.8 million total households excludes households on farms or reserves, those with an income of zero or less, and those whose shelter costs equal or exceed their incomes. The 2001 Census identified 11,562,975 total households, 11,279,330 non-farm, off-reserve households with incomes greater than zero, and 10,803,340 households with incomes greater than both zero and their shelter costs.

Adapted from: Statistics Canada, Topic-based Tabulations, 2001 Census, Cat. No. 95F0444XCB01004, May 13, 2003; and for 1996 and 1991 data, Housing in Canada Electronic Data Series, CMHC, 2000

Table 1 Cont'd: Ontario Households Spending 30 Percent or More of Income on Shelter, 1991-2001

		Total households[1]			Households spending 30% or more of income on shelter			% of Households spending 30% or more of income on shelter		
		1991	1996	2001	1991	1996	2001	1991	1996	2001
Canada	Total	9,371,730	10,027,840	10,803,340	1,877,240	2,223,480	2,244,085	20.0%	22.2%	20.8%
	Own	5,925,460	6,494,030	7,228,725	815,935	920,865	1,005,975	13.8%	14.2%	13.9%
	Rent	3,446,270	3,533,810	3,574,620	1,061,310	1,302,615	1,238,110	30.8%	36.9%	34.6%
Ontario	Total	3,433,900	3,680,315	3,980,660	714,600	877,510	878,655	20.8%	23.8%	22.1%
	Own	2,212,110	2,410,620	2,748,500	358,505	391,185	420,610	16.2%	16.2%	15.3%
	Rent	1,221,790	1,269,700	1,232,160	356,095	486,325	458,040	29.1%	38.3%	37.2%
CMA - Ottawa-Hull	Total	334,480	366,695	399,260	64,955	81,500	73,970	19.4%	22.2%	18.5%
	Own	189,665	221,730	250,945	25,730	29,660	26,630	13.6%	13.4%	10.6%
	Rent	144,810	144,970	148,320	39,220	51,835	47,340	27.1%	35.8%	31.9%
CMA - Ottawa-Hull	Total	254,170	277,635	299,855	49,800	62,675	56,455	19.6%	22.6%	18.8%
(Ont. Part)	Own	140,635	165,300	188,085	19,535	22,250	19,880	13.9%	13.5%	10.6%
	Rent	113,535	112,335	111,780	30,265	40,425	36,580	26.7%	36.0%	32.7%
CMA - Kingston	Total	48,800	51,920	55,205	10,030	12,835	12,765	20.6%	24.7%	23.1%
	Own	29,420	32,500	36,065	4,200	4,790	4,740	14.3%	14.7%	13.1%
	Rent	12,045	19,415	19,140	5,830	8,050	8,025	48.4%	41.5%	41.9%
CMA - Oshawa	Total	79,600	89,590	100,480	18,340	20,525	20,270	23.0%	22.9%	20.2%
	Own	56,445	64,955	76,885	10,940	10,995	11,205	19.4%	16.9%	14.6%
	Rent	23,155	24,635	23,600	7,395	9,530	9,070	31.9%	38.7%	38.4%
CMA - Toronto	Total	1,302,000	1,400,275	1,548,055	309,500	384,600	394,960	23.8%	27.5%	25.5%
	Own	768,830	839,510	1,002,215	156,865	173,845	193,340	20.4%	20.7%	19.3%
	Rent	533,170	560,765	545,845	152,630	210,755	201,620	28.6%	37.6%	36.9%
CMA - Hamilton	Total	211,420	224,270	241,015	44,715	51,265	52,615	21.1%	22.9%	21.8%
	Own	138,980	149,355	168,390	23,150	22,055	24,700	16.7%	14.8%	14.7%
	Rent	72,440	74,920	72,620	21,570	29,210	27,910	29.8%	39.0%	38.4%
CMA - St. Catharines - Niagara	Total	129,820	136,670	143,555	24,415	29,125	30,515	18.8%	21.3%	21.3%
	Own	93,965	98,450	106,500	12,730	12,860	15,405	13.5%	13.1%	14.5%
	Rent	35,855	38,225	37,055	11,680	16,265	15,110	32.6%	42.6%	40.8%
CMA - Kitchener	Total	123,120	134,415	147,525	25,855	29,395	28,310	21.0%	21.9%	19.2%
	Own	76,930	85,640	99,900	12,540	11,920	12,885	16.3%	13.9%	12.9%
	Rent	46,195	48,775	47,630	13,315	17,475	15,425	28.8%	35.8%	32.4%
CMA - London	Total	138,920	146,955	163,595	28,100	35,830	36,540	20.2%	24.4%	22.3%
	Own	81,525	90,460	105,280	10,365	12,940	13,845	12.7%	14.3%	13.2%
	Rent	57,390	56,495	58,320	17,730	22,895	22,695	30.9%	40.5%	38.9%
CMA - Windsor	Total	92,450	100,260	112,685	16,220	20,230	21,840	17.5%	20.2%	19.4%
	Own	64,600	70,445	82,415	7,315	8,315	10,230	11.3%	11.8%	12.4%
	Rent	27,850	29,815	30,265	8,910	11,910	11,605	32.0%	39.9%	38.3%
CMA - Sudbury	Total	55,065	58,875	59,860	10,105	13,215	12,635	18.4%	22.4%	21.1%
	Own	35,825	37,885	40,345	4,185	4,430	5,080	11.7%	11.7%	12.6%
	Rent	19,235	20,995	19,510	5,915	8,785	7,550	30.8%	41.8%	38.7%
CMA - Thunder Bay	Total	45,355	46,970	47,240	6,800	8,710	8,940	15.0%	18.5%	18.9%
	Own	31,425	33,285	34,760	2,950	3,610	3,910	9.4%	10.8%	11.2%
	Rent	13,930	13,685	12,485	3,850	5,100	5,035	27.6%	37.3%	40.3%

[1] The 10.8 million total households excludes households on farms or reserves, those with an income of zero or less, and those whose shelter costs equal or exceed their incomes. The 2001 Census identified 11,562,975 total households, 11,279,330 non-farm, off-reserve households with incomes greater than zero, and 10,803,340 households with incomes greater than both zero and their shelter costs.

Adapted from: Statistics Canada, Topic-based Tabulations, 2001 Census, Cat. No. 95F0444XCB01004, May 13, 2003; and for 1996 and 1991 data, Housing in Canada Electronic Data Series, CMHC, 2000.

Table 1 Cont'd: Prairie Households Spending 30 Percent or More of Income on Shelter, 1991-2001

		Total households[1]			Households spending 30% or more of income on shelter			% of Households spending 30% or more of income on shelter		
		1991	1996	2001	1991	1996	2001	1991	1996	2001
Canada	Total	9,371,730	10,027,840	10,803,340	1,877,240	2,223,480	2,244,085	20.0%	22.2%	20.8%
	Own	5,925,460	6,494,030	7,228,725	815,935	920,865	1,005,975	13.8%	14.2%	13.9%
	Rent	3,446,270	3,533,810	3,574,620	1,061,310	1,302,615	1,238,110	30.8%	36.9%	34.6%
Manitoba	Total	364,070	374,620	389,755	64,350	64,315	64,890	17.7%	17.2%	16.6%
	Own	242,195	255,365	271,135	25,585	23,125	25,940	10.6%	9.1%	9.6%
	Rent	121,880	119,255	118,615	38,765	41,195	38,950	31.8%	34.5%	32.8%
CMA - Winnipeg	Total	241,685	249,160	259,350	47,780	48,250	46,335	19.8%	19.4%	17.9%
	Own	152,625	163,040	172,520	17,800	16,290	17,080	11.7%	10.0%	9.9%
	Rent	89,060	86,120	86,840	29,980	31,960	29,260	33.7%	37.1%	33.7%
Saskatchewan	Total	304,365	314,430	322,965	48,395	47,210	53,940	15.9%	15.0%	16.7%
	Own	209,320	216,965	230,780	21,360	17,475	22,755	10.2%	8.1%	9.9%
	Rent	95,050	97,470	92,190	27,030	29,735	31,185	28.4%	30.5%	33.8%
CMA - Regina	Total	68,575	70,925	73,080	11,935	11,655	13,095	17.4%	16.4%	17.9%
	Own	45,800	47,935	50,835	4,985	4,210	4,775	10.9%	8.8%	9.4%
	Rent	22,775	22,990	22,240	6,955	7,445	8,320	30.5%	32.4%	37.4%
CMA - Saskatoon	Total	74,870	79,405	84,205	15,355	15,625	18,355	20.5%	19.7%	21.8%
	Own	46,335	50,020	55,775	5,980	4,660	6,865	12.9%	9.3%	12.3%
	Rent	28,540	29,385	28,425	9,370	10,960	11,480	32.8%	37.3%	40.4%
Alberta	Total	828,725	891,170	1,014,065	153,695	167,420	190,410	18.5%	18.8%	18.8%
	Own	526,975	607,290	719,245	64,750	77,010	97,660	12.3%	12.7%	13.6%
	Rent	301,755	283,880	294,825	88,945	90,405	92,750	29.5%	31.8%	31.5%
CMA - Calgary	Total	264,665	291,215	341,470	54,330	59,330	68,475	20.5%	20.4%	20.1%
	Own	162,880	193,965	244,270	23,260	27,920	37,240	14.3%	14.4%	15.2%
	Rent	101,780	97,250	97,190	31,070	31,410	31,230	30.5%	32.3%	32.1%
CMA - Edmonton	Total	290,445	301,730	338,455	56,865	61,345	65,360	19.6%	20.3%	19.3%
	Own	174,270	197,970	227,740	21,240	26,050	29,300	12.2%	13.2%	12.9%
	Rent	116,175	103,765	110,715	35,625	35,295	36,065	30.7%	34.0%	32.6%

[1] The 10.8 million total households excludes households on farms or reserves, those with an income of zero or less, and those whose shelter costs equal or exceed their incomes. The 2001 Census identified 11,562,975 total households, 11,279,330 non-farm, off-reserve households with incomes greater than zero, and 10,803,340 households with incomes greater than both zero and their shelter costs.

Adapted from: Statistics Canada, Topic-based Tabulations, 2001 Census, Cat. No. 95F0444XCB01004, May 13, 2003, and for 1996 and 1991 data, Housing in Canada Electronic Data Series, CMHC, 2000.

Table 1 Cont'd: British Columbia, Northwest Territories, Yukon, and Nunavut Households Spending 30 Percent or More of Income on Shelter, 1991-2001

		Total households*			Households spending 30% or more of income on shelter			% of Households spending 30% or more of income on shelter		
		1991	1996	2001	1991	1996	2001	1991	1996	2001
Canada	Total	9,371,730	10,027,840	10,803,340	1,877,240	2,223,480	2,244,085	20.0%	22.2%	20.8%
	Own	5,925,460	6,494,030	7,228,725	815,935	920,865	1,005,975	13.8%	14.2%	13.9%
	Rent	3,446,270	3,533,810	3,574,620	1,061,310	1,302,615	1,238,110	30.8%	36.9%	34.6%
British Columbia	Total	1,171,375	1,315,400	1,416,245	249,105	325,590	351,160	21.3%	24.8%	24.8%
	Own	756,035	873,655	957,890	97,760	144,880	174,090	12.9%	16.6%	18.2%
	Rent	415,340	441,745	458,350	151,345	180,705	177,070	36.4%	40.9%	38.6%
CMA - Abbotsford	Total	36,380	43,510	47,810	7,665	11,375	12,470	21.1%	26.1%	26.1%
	Own	26,610	31,410	34,365	4,020	6,180	7,480	15.1%	19.7%	21.8%
	Rent	9,770	12,105	13,450	3,645	5,190	4,995	37.3%	42.9%	37.1%
CMA - Vancouver	Total	580,710	644,770	706,880	144,675	179,585	192,475	24.9%	27.9%	27.2%
	Own	339,210	392,035	442,090	52,935	77,640	93,210	15.6%	19.8%	21.1%
	Rent	241,495	252,735	264,790	91,745	101,945	99,265	38.0%	40.3%	37.5%
CMA - Victoria	Total	113,945	121,875	127,100	27,440	32,385	31,845	24.1%	26.6%	25.1%
	Own	70,440	77,065	81,780	9,525	13,075	13,970	13.5%	17.0%	17.1%
	Rent	43,510	44,810	45,310	17,905	19,315	17,875	41.2%	43.1%	39.5%
Yukon Territory	Total	9,295	10,235	11,985	1,290	1,770	1,675	13.9%	17.3%	14.0%
	Own	5,510	6,475	6,485	645	910	770	11.7%	14.1%	11.9%
	Rent	3,785	3,760	5,505	645	865	910	17.0%	23.0%	16.5%
Northwest Territories	Total	15,705	18,345	10,220	1,865	1,925	1,850	11.9%	10.5%	18.1%
(2001 figures EXCLUDE Nunavut)	Own	4,975	7,140	6,945	690	755	905	13.9%	10.6%	13.0%
	Rent	10,730	11,200	3,265	1,180	1,170	940	11.0%	10.4%	28.8%
Northwest Territories	Total	15,705	18,345	17,290	1,865	1,925	2,510	11.9%	10.5%	14.5%
(2001 figures INCLUDE Nunavut)	Own	4,975	7,140	8,655	690	755	1,125	13.9%	10.6%	13.0%
	Rent	10,730	11,200	8,625	1,180	1,170	1,380	11.0%	10.4%	16.0%
Nunavut	Total	N/A	N/A	7,070	N/A	N/A	660	N/A	N/A	9.3%
	Own	N/A	N/A	1,710	N/A	N/A	220	N/A	N/A	12.9%
	Rent	N/A	N/A	5,360	N/A	N/A	440	N/A	N/A	8.2%

*The 10.8 million total households excludes households on farms or reserves, those with an income of zero or less, and those whose shelter costs equal or exceed their incomes. The 2001 Census identified 11,562,975 total households, 11,279,330 non-farm, off-reserve households with incomes greater than zero, and 10,803,340 households with incomes greater than both zero and their shelter costs.

Adapted from: Statistics Canada, Topic-based Tabulations, 2001 Census, Cat. No. 95F0444XCB01004, May 13, 2003, and for 1996 and 1991 data, Housing in Canada Electronic Data Series, CMHC, 2000.

Spending more than the affordability benchmark was highly correlated with income.

Not surprisingly, households with lower incomes were more likely to spend 30% or more of their income on shelter (see Table 2). In 2001, 82.6% of households with incomes under $10,000 spent above the affordability benchmark. The comparable figure was 9.4% for households with incomes of $50,000 to $59,999, and 0.9% for those with incomes of $100,000 or more.

Table 2: Households Spending 30% or More of Income on Shelter by Income Group, Canada 2001

Income	Shelter Cost-to-Income Ratio (STIR)	Owners + Renters			Owners			Renters		
		#	% of All Households	% of Income Group	#	% of All Households	% of Income Group	#	% of All Households	% of Income Group
All Households	Total	10,803,340	100.0%	100.0%	7,228,725	100.0%	100.0%	3,574,615	100.0%	100.0%
	Spending <30%	8,559,255	79.2%	79.2%	6,222,750	86.1%	86.1%	2,336,505	65.4%	65.4%
	Spending 30% or more	2,244,085	20.8%	20.8%	1,005,975	13.9%	13.9%	1,238,110	34.6%	34.6%
Under $10,000	Total	306,865	2.8%	100.0%	73,760	1.0%	100.0%	233,105	6.5%	100.0%
	Spending <30%	53,415	0.5%	17.4%	16,265	0.2%	22.1%	37,150	1.0%	15.9%
	Spending 30% or more	253,450	2.3%	82.6%	57,495	0.8%	77.9%	195,955	5.5%	84.1%
$ 10,000 - $19,999	Total	1,379,255	12.8%	100.0%	540,745	7.5%	100.0%	838,510	23.5%	100.0%
	Spending <30%	519,225	4.8%	37.6%	311,560	4.3%	57.6%	207,665	5.8%	24.8%
	Spending 30% or more	860,030	8.0%	62.4%	229,185	3.2%	42.4%	630,845	17.6%	75.2%
$ 20,000 - $29,999	Total	1,319,645	12.2%	100.0%	689,895	9.5%	100.0%	629,750	17.6%	100.0%
	Spending <30%	858,790	7.9%	65.1%	494,505	6.8%	71.7%	364,285	10.2%	57.8%
	Spending 30% or more	460,855	4.3%	34.9%	195,390	2.7%	28.3%	265,465	7.4%	42.2%
$ 30,000 - $39,999	Total	1,293,205	12.0%	100.0%	747,395	10.3%	100.0%	545,810	15.3%	100.0%
	Spending <30%	1,016,555	9.4%	78.6%	566,715	7.8%	75.8%	449,840	12.6%	82.4%
	Spending 30% or more	276,650	2.6%	21.4%	180,680	2.5%	24.2%	95,970	2.7%	17.6%
$ 40,000 - $49,999	Total	1,186,075	11.0%	100.0%	777,165	10.8%	100.0%	408,910	11.4%	100.0%
	Spending <30%	1,017,520	9.4%	85.8%	639,125	8.8%	82.2%	378,395	10.6%	92.5%
	Spending 30% or more	168,555	1.6%	14.2%	138,040	1.9%	17.8%	30,515	0.9%	7.5%
$ 50,000 - $59,999	Total	1,049,335	9.7%	100.0%	759,505	10.5%	100.0%	289,830	8.1%	100.0%
	Spending <30%	950,175	8.8%	90.6%	671,410	9.3%	88.4%	278,765	7.8%	96.2%
	Spending 30% or more	99,160	0.9%	9.4%	88,095	1.2%	11.6%	11,065	0.3%	3.8%
$ 60,000 - $69,999	Total	923,035	8.5%	100.0%	717,105	9.9%	100.0%	205,930	5.8%	100.0%
	Spending <30%	864,215	8.0%	93.6%	662,735	9.2%	92.4%	201,480	5.6%	97.8%
	Spending 30% or more	58,820	0.5%	6.4%	54,370	0.8%	7.6%	4,450	0.1%	2.2%
$ 70,000 - $79,999	Total	749,605	6.9%	100.0%	614,145	8.5%	100.0%	135,460	3.8%	100.0%
	Spending <30%	720,700	6.7%	96.1%	587,095	8.1%	95.6%	133,605	3.7%	98.6%
	Spending 30% or more	28,905	0.3%	3.9%	27,050	0.4%	4.4%	1,855	0.1%	1.4%
$ 80,000 - $89,999	Total	600,250	5.6%	100.0%	510,360	7.1%	100.0%	89,890	2.5%	100.0%
	Spending <30%	583,580	5.4%	97.2%	494,605	6.8%	96.9%	88,975	2.5%	99.0%
	Spending 30% or more	16,670	0.2%	2.8%	15,755	0.2%	3.1%	915	0.0%	1.0%
$ 90,000 - $99,999	Total	462,970	4.3%	100.0%	404,255	5.6%	100.0%	58,715	1.6%	100.0%
	Spending <30%	455,075	4.2%	98.3%	396,765	5.5%	98.1%	58,310	1.6%	99.3%
	Spending 30% or more	7,895	0.1%	1.7%	7,490	0.1%	1.9%	405	0.0%	0.7%
$100,000 and over	Total	1,533,115	14.2%	100.0%	1,394,390	19.3%	100.0%	138,725	3.9%	100.0%
	Spending <30%	1,520,010	14.1%	99.1%	1,381,965	19.1%	99.1%	138,045	3.9%	99.5%
	Spending 30% or more	13,105	0.1%	0.9%	12,425	0.2%	0.9%	680	0.0%	0.5%

The 10.8 million total households excludes households on farms or reserves, those with an income of zero or less, and those whose shelter costs equal or exceed their incomes. The 2001 Census identified 11,562,975 total households, 11,279,330 non-farm, off-reserve households with incomes greater than zero, and 10,803,340 households with incomes greater than both zero and their shelter costs.

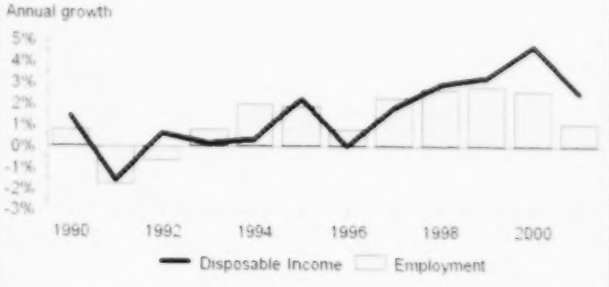
Adapted from: Statistics Canada, Topic-based Tabulations, 2001 Census, Cat. No. 97F0021XCB01010 and 97F0021XCB01011, May 13, 2003.

Income and tenure were also closely related, with renter households far more concentrated in the lower income groups. The income group most likely to spend more than the affordability benchmark, households with incomes under $10,000, accounted for 6.5% of renter households, but only 1.0% of owner households. At the other extreme, only 3.9% of renter households had incomes of $100,000 or more, compared to 19.3% of owner households. Generally, owner households were also far more likely to have incomes higher than the national average ($59,042 in 2001[6]). Over half of all owner households (50.4%) had incomes of $60,000 or greater, compared to only 17.6% of renter households.

Income and shelter cost trends reflect broader economic trends

The increase from 1991 to 1996 in the proportion of households spending 30% or more on shelter and the decrease from 1996 to 2001 paralleled general economic conditions. After a lackluster performance in the early 1990s, job creation accelerated in the latter half of the decade, contributing to rising real disposable income (see Figure 1).

Figure 1: Disposable Income and Employment Growth, Canada, 1991-2001



Behind the scenes, decreases in average before-tax household income in the early 1990s turned into increases later in the decade. This held true for both nominal and inflation-adjusted real household income (see Table 3).

While job creation and incomes were strengthening, mortgages rates fell significantly in the 1990s, reducing the monthly interest charges required to carry a mortgage (see Figure 2). This drop eased shelter costs for existing owners, and enabled many renter households to purchase homes.

Figure 2: 5-Year Mortgage Rate, Canada, 1990 - 2002

Conclusions

Information from the 2001 Census indicates that affordability improved from 1996 to 2001, as proportionately fewer households were spending 30% or more of their pre-tax income on shelter. Of the 10.8 million households examined, 20.8% were spending above the affordability benchmark, compared to 22.2% in 1996 and 20.0% in 1991.

Table 3: Average Household Income, Real and Nominal, Canada, 1990, 1995, 2000

	1990	1995	2000	Change 1990-1995	Change 1995-2000
All Households	10.0 million	10.8 million	11.6 million	8.0%	6.9%
Average Household Income (Nominal)	$51,526	$48,552	$58,360	-5.8%	20.2%
Average Household Income (Real)*	$51,526	$43,454	$47,942	-15.7%	10.3%

Source: CMHC, adapted from Statistics Canada (Census of Canada, CANSIM II)

*Real income reflects the nominal income adjusted for inflation based on the annual change in the Consumer Price Index (CPI) for All Items, 1990 forward.

[6] Source: Statistics Canada, Topic-based Tabulations, Cat. No. 95F0437XCB01004, May 13, 2003.

The trend was similar regardless of tenure, with the proportion spending above the affordability benchmark declining from 1996 to 2001, but not returning to 1991 levels. However, the improvements in housing affordability were more significant for renter than for owner households.

There were wide variations across the country, with the greatest declines in the proportion of households spending above the affordability benchmark taking place in the Yukon, Québec, and Ontario. The greatest increases in households spending above the affordability benchmark were in the Northwest Territories, Saskatchewan, and Newfoundland and Labrador, but despite the increases, the likelihood of households to be spending above the affordability benchmark in these areas still remained well below the national average.

In the remaining provinces, the proportion of households spending 30% or more of income on shelter was largely unchanged. However, behind the average was a consistent trend in all these remaining provinces, with renter households less likely to be spending more than the affordability benchmark in 2001 than in 1996, and owner households more likely. While the general improvement in economic conditions, combining employment growth, rising incomes, and falling mortgage rates, helped ease the shelter cost burden for owners, it also attracted renters to buy homes. As many renters bought into homeownership, the composition of owning households changed, quite possibly contributing to the somewhat counterintuitive finding that the proportion of owners spending above the affordability benchmark did not fall more significantly, from 1996 to 2001.

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Authors: John Engeland, Lance Jakubec, and Roger Lewis, Housing Indicators and Demographics, Policy and Research Division, Canada Mortgage Housing Corporation

For further information on CMHC's 2001 Census-based housing data, or to comment on this study or convey suggestions for further research, please contact:

John Engeland, Policy and Research Division,
Canada Mortgage and Housing Corporation,
700 Montreal Road, Ottawa, K1A 0P7

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